

be complied with to the extent possible, having regard to the difficulty in obtaining supplies.

Mr. V. VENKATAPPA.—Has it come to the notice of Government that indents for additional supplies of quinine have not been complied with in certain cases?

Mr. V. VEDAVYASACHARYA.—No.

The MINISTER for LOCAL SELF-GOVERNMENT and PUBLIC HEALTH (Mr. H. B. Gundappa Gowda).—Merely from figures showing quantities supplied, one cannot say whether the supplies are adequate or not. In the case of some patients, very small doses will do. The quantity required also depends on whether the supply is fresh or old.

A MALNAD MEMBER.—Is it not a fact that in the Kadur District, the number of coolies working in the different plantations is so large that larger supplies of quinine are required by the dispensaries concerned?

Mr. PRESIDENT.—All that is possible or necessary in this direction is being done.

Mr. B. BASAVALINGIAH.—For the last one year and a half supply of quinine to district boards has been altogether stopped. Are the Government aware of the hardship caused to the people as a result of it?

Mr. H. B. GUNDAPPA GOWDA.—The supply is not stopped. Originally quinine was being sent direct to the district boards, but now it is sent to them through the District Medical Officers.

Mr. B. BASAVALINGIAH.—Is it not a fact that quinine cannot be obtained either from the District Boards or from the District Medical Officers?

Mr. H. B. GUNDAPPA GOWDA.—I do not think so, though the stock has not yet been received for this particular year. I shall however make enquiries about it.

Mr. T. SHADAKSHARAPPA.—Are the Government aware that malaria is spreading even in the maidan parts?

The MINISTER for REVENUE and FINANCE (Rajamantrapravina K. V. Anantaraman).—Yes, and that is why quinine is supplied to the maidan parts also.

ANOTHER MEMBER.—Is the quinine that is now supplied manufactured

locally or is it being imported from outside?

Mr. K. V. ANANTARAMAN.—The Industrial and Testing Laboratory is just now manufacturing quinine pills. It is proposed to manufacture larger quantities of powder also in future.

GOVERNMENT BUSINESS—*contd.*

Labour Bill—*contd.*

Amendments.

Mr. K. CHENGALARAYA REDDY moved the following amendment :—

2. (b) "Clause 13 be amended so as to provide for compulsory arbitration at the instance of either party or Government."

In doing so, he explained that the main object of his amendment was to make the award of the Arbitration Court binding on both parties. As clause 13 was worded now, there was nothing to bind the parties to the award. In 1938 when the Bombay Trade Disputes Act was passed, no provision had been made for compulsory arbitration. But in the light of experience gained, that Act had been amended in May 1941, making the award of the Arbitration Court binding on the parties. The experience of Madras in connection with the recent strike of Bus Workers must be too fresh in everybody's memory. In connection with that strike, the Arbitration Court gave an award long ago, but though the employees were prepared to abide by that decision, the proprietors were not inclined to do so. This resulted in great difficulties not only to the labourers but to the public at large. For dealing with such cases, there must be power vested in the Government not merely to appoint an Arbitration Court but also make its decision binding on both employers and employees. It might be argued that if such a large power was vested in the executive government, it was liable to be abused. But the speaker would point out that the award itself was going to be given not by the Government but by the Court of Arbitration. Such a provision was absolutely needed in the public interest. If there was a strike in the Kolar Gold Mines, not only the Mining

Companies but also the Government would lose heavily. In such a case, the Government would have to constitute an Arbitration Court to go into the dispute and reach a quick decision on all the points involved. They should also have the power to compel both the parties to the dispute to abide by the decision of the court. There would be a High Court Judge as its chairman and it would contain one representative of Labour and also one representative of the employers.

The MINISTER for LAW (Rajaseva-prasakta A. V. Ramanathan) corrected the speaker by pointing out that so far as the personnel was concerned, all of them would be independent persons not connected with any particular interest.

Mr. K. CHENGALARAYA REDDY noted the correction and said that even then he attached special value to the court because it would be presided over by a High Court Judge. So, there need be no opposition to disputes being referred to such a court for decision. He knew that a certain amount of difference of opinion was possible on this question. The employers might apprehend that they would be forced to submit themselves to an award unfavourable to them. The employees also might entertain a similar apprehension. But when extraordinary situations arose, special powers for the Government would become very necessary. This principle had been recognized in the Bombay Trade Disputes Act also and vast powers vested in the Government, under which they could refer any industrial dispute to a similar court if they were satisfied that as a result of the continuance of the dispute, (a) a serious outbreak of disorder or a breach of the public peace was likely to occur, or (b) serious or prolonged hardship to a large section of the community was likely to be caused, or (c) the prospects of employment were likely to be curtailed. He therefore hoped that the *pros* and *cons* of the amendment would be considered seriously both by the members and by the Government.

In seconding the amendment, **Mr. T. S. RAJAGOPALA IYENGAR** explained that under the provisions of the Bill before the House, a dispute

could be referred to an Arbitration Court only if both the parties to the dispute agreed to do so. There was no provision in it empowering the Government to appoint such a court and bind both the parties to the decision. In the Bombay Trade Disputes Act, originally, there was no such provision. But after gaining some experience of its working, the necessity for it was felt and necessary amendments to the Act effected. Profiting by the experience of Bombay, a similar provision might be made in Mysore now alone.

Mr. A. V. RAMANATHAN explained that in the draft Bill as placed before the Special Committee appointed in June 1941, provision had been made to refer, at the discretion of Government, the points in dispute for compulsory arbitration, even though the parties might not agree to such reference. But the committee felt that it would lead to difficulties and unanimously recommended its deletion.

In regard to the amendment to the Bombay Act, referred to by the previous speakers, the committee had it from certain very responsible persons that as soon as the amendment was published, both the employers and employees protested against it and that thereupon an assurance had been held out by the authorities that it would not be put into force. So the amendment had been effected only in name. At any rate, till now nobody had heard that it had been enforced even in a single instance. After hearing such a statement from responsible gentlemen from Bombay who were present at the meeting, the committee felt that the amendment would serve no useful purpose here also.

The second point mentioned by the previous speakers related to the situation that had arisen in connection with a recent bus strike in Madras. The trouble there was not due merely to the absence of a provision for compulsory arbitration. As a matter of fact, there was no Trade Disputes Act at all there. The procedure followed there was for the Labour Commissioner to bring both the parties together for negotiation, give an award and ask the parties to accept it. It was because one

of the parties did not agree to it and the Commissioner had no power to enforce his decision, that trouble arose. Under the provisions of the Mysore Act, when a dispute was referred to the Arbitration Court with the consent of both the parties and an award was made by such court after enquiry, it would be binding on both the parties and it could not be called in question or modified for a period of two years. No such provision existed in Madras and that was the reason for the trouble there.

Proceeding, the speaker explained that there was yet another point of difference in favour of the Mysore Act as compared with the new Bombay Act. The new Bombay Act contemplated action only after a strike commenced or a lock-out was notified. But the Mysore Act provided the machinery needed to prevent strikes and, if at all, a lightning strike occurred, to bring about a speedy settlement between the employer and the employee. If, however, even those provisions proved infructuous and a strike continued or was likely to continue for a long period and a speedy settlement was not possible, the Defence of India Rules as in force in Mysore, could, the committee felt, be invoked by the Government for compulsory arbitration. The Government would have power to act under that Act for one year after the close of the present War. By that time sufficient experience would have been gained by Government so that, if at all the need was felt, provision for compulsory arbitration could be made in the Labour Legislation by that time. But it had to be remembered that compulsory arbitration was like the Sword of Damocles; if provision was made for it in the very beginning, everybody would get busy devising ways and means of defeating its purpose, and the element of good-will between employers and employees would altogether disappear. But Government had every hope that a contingency necessitating the use of emergency powers would not arise. But if it ever became necessary, they had ample power to deal with the situation.

That was the reason why, even though a provision for compulsory arbitration

had been put in originally, the committee themselves were against it and in view of the unanimous opinion expressed by them, the Government thought it prudent to drop it.

In conclusion, he appealed to the House not to entertain distrust or imagine difficulties where none existed, in a matter in which the Government were genuinely interested in laying the foundation for the promotion of good-will between the employer and the employee by means of this legislation.

Mr. N. RAMA RAO, who spoke next, commended the main object of the legislation, as explained by the Minister for Law, *viz.*, bringing about an amicable settlement between the employer and the employee. So far as the amendment before the House was concerned, the Minister had stated that a similar suggestion had been proposed by the Government themselves but that the committee did not want it for valid reasons. The view of the committee was all right as a general proposition, but in the case of public utility services like war supply factories, the electric services, telephone, telegraphy, etc., if disputes arose and settlement by mutual understanding could not be arrived at expeditiously, it would be inadvisable, in the public interest, for the Government to wait till such settlement was reached. The responsibility of the Government would not have been discharged until they saw to it that a settlement was effected. Even in cases where an understanding on a voluntary basis was likely to be arrived at, it might be desirable for them to interfere and bring about a settlement as quickly as practicable. In that view, he felt that it was absolutely necessary to vest power in the Government to interfere and call upon the Court of Arbitration to give an award whether with or without the consent of the parties. He therefore supported the amendment so far as disputes relating to public utility services were concerned.

Mr. J. T. GOPALAKRISHNAN opposed the amendment. He wanted that all disputes should be settled on a voluntary basis. If Government's interference should be invoked in every dispute, the

settlement effected could have no lasting effect, as the one or the other of the parties would always be on the look-out for an opportunity of re-opening the issues. The previous speaker favoured compulsory arbitration in only certain cases. But the speaker feared that if power was vested in the Government, there would be no inducement to the parties, even in such cases, to come to a lasting understanding. In support of this contention, he cited the analogy of litigants whose tendency was to go on consulting lawyers, even when the case was being argued in the lower court, about the maintainability of appeals. It was therefore best to allow the parties to come to an understanding between themselves. He did not know why the mover of the amendment should view the question with fear or distrust. When no difficulty was experienced, as explained by the Minister for Law, in regard to the working of the Labour Legislation in Madras, even in the absence of a Trade Disputes Act, there was no reason to apprehend that things would go wrong in Mysore, when the measure in question was admitted to be in advance of those in force elsewhere. He therefore suggested that the measure be worked for some time as proposed by the Government, necessary amendments being effected later on as and when they became really necessary.

Mr. Bhupalam R. CHANDRA-SEKHARAYYA stated that from the foregoing discussions and particularly from the speech of the Minister for Law, he could conclude that the Government were not opposed to the principle of the amendment. No doubt the Minister had explained that the Government could exercise powers under the Defence of India Rules and bring about a settlement both compulsorily and speedily.

Mr. A. V. RAMANATHAN, interrupting the speaker, said that that was the opinion of the committee and not of the Government.

Mr. Bhupalam R. CHANDRA-SEKHARAYYA contended that the powers vested in the Government under the Defence of India Act were extraordinary powers exercisable only in exceptional cases. As such, instead of

availing themselves of those powers even in ordinary circumstances, it would be desirable for the Government to take power to bring about compulsory arbitration. In that view, he supported the amendment.

Mr. M. SITHARAMA SASTRI opposed the amendment. The very idea of compulsion would be inconsistent with that of an arbitration between an employer and employee. A trade dispute was quite different, for example, from a dispute over an immovable property. It would be impossible to force a labourer, if he took to a sitting-in strike, to resume work. In such a case, compulsion would be as unmeaning and ineffective as in the case of matters like sunrise and sunset. Even if compulsion was provided for, it was going to be a dead letter. To say this was not to suggest that a dispute should be allowed to take its course until the parties thereto came to an understanding between themselves. If there was a strike in a large factory and the general public was anxious that a settlement should be effected, no Government could afford to sit idle. It would be bound to act speedily and effectively. If it did not do so, it would be dubbed as incompetent and inefficient. In his opinion, the provisions embodied in the proposed legislation were quite sufficient. After all, labour unions were just beginning to work; they still needed to grow and gather strength. Labour leaders also needed to get themselves fully acquainted with the conditions of labour. Their responsibility was great. Labour was an international problem and so the leaders also required plenty of study and experience. They were only just beginning to study and gain experience. When sufficient experience was gained by all concerned, there would be no difficulty for providing for whatever additional powers were needed in the best interests of labour. Until then, he would appeal to the mover not to press the amendment.

In replying to the debate, **Mr. K. CHENGALARAYA REDDY** said that even though the question had been discussed at sufficient length, he still doubted whether, under the provisions

of the Bill, the Government could take the initiative and appoint a Court of Arbitration whenever necessary. Clause 13 (1) did not clearly mention the circumstances under which a Court of Arbitration could be appointed by the Government and it was also not clear whether the Government could do so *suo moto*, or only at the request of one of the parties to the dispute, or whether the consent of both the parties was essential.

The **PRESIDENT** explained that what was contained in sub-clause (1) was subject to the provisions in the sub-clauses following it.

Mr. K. CHENGALARAYA REDDY pointed out that it had not been stated so. The words occurring in sub-clause (1) were to the effect that the Government "may constitute" whereas in the subsequent sub-clauses the word "shall" had been used. If it was agreed that the Government were competent to appoint the court even without the consent of the parties to the dispute, he admitted that there would be no necessity for him to press his amendment.

As regards the provision for compulsory arbitration, certain difficulties seemed to have been imagined by the previous speakers. The *pros* and *cons* of the question had been discussed at great length by the Whitley Commission. The speaker agreed that the matter required the most careful consideration. It had been aptly observed in the Dewan's Address that the "relations between labour and capital, like conjugal relations, are a matter of mutual consideration and understanding." The same sentiment had been voiced by some of the members also. In this view and in view also of the assurance of Government that they would do everything necessary to bring about a speedy settlement in every case, he would not press the amendment.

With regard to the remark made by one of the members that there was some fear and suspicion lurking in the speaker's mind, he stated that there was neither fear nor suspicion on his part. His only anxiety was that in the event of a strike occurring, some machinery

should be available for bringing about an expeditious settlement so as to minimise the inconvenience, hardship and loss to all concerned.

The amendment was withdrawn by leave of the House.

The next amendment in (c) which was as follows was not moved :—

"Clauses 27 and 28 be amended so as to provide for an appeal to a suitable forum, preferably to the Court of Arbitration against the declaration by the Registrar that a strike or lock-out is illegal."

Thereupon The **PRESIDENT** announced that the Bill was open to discussion.

Discussion on Principles of the Labour Bill.

Mr. B. S. CHANDRASEKHARA RAO remarked at the outset that clause 3 re Definitions was not exhaustive. Though as many as 23 terms had been defined, terms like "Trade Union" and "Trade Dispute" had not been defined at all. It was not clear why the term "Registered Association" had been put in where "Trade Union" would have been better. In the course of discussion on the previous day, reference had been made to the need for providing for a Federation of Associations and a Confederation. These were all terms mentioned in the Trade Union Act of British India and he therefore suggested that they should be included in the Mysore Act also.

In clause 4 which related to the Commissioner of Labour, very vast powers were delegated to him. He could enter any premises including residential quarters. It would not be right to give such unrestricted powers to any officer.

The **PRESIDENT** reminded the member that the House was concerned at that stage only with the principles of the Bill.

Mr. B. S. CHANDRASEKHARA RAO replied that he was going to suggest improvements only in respect of matters involving principles.

Going back to the question of powers of the Labour Commissioner, he said that that officer should not be given the

privilege of attending meetings of Registered Associations except on invitation or with previous intimation.

The **PRESIDENT** pointed out that the main principles had already been discussed and certain conclusions had been reached. If the member intended to oppose any of those principles or to suggest any new provisions, he was welcome to do so. But so far as verbal amendments were concerned, he would do well to leave them to be dealt with by the other House.

Mr. K. CHENGALARAYA REDDY explained that so far as members of his party were concerned, they had no idea of discussing details. No doubt under the old constitution, the Assembly had no power to move amendments, whereas under the revised constitution, this power had been vested in it. All the same even at previous sessions discussion of details relating to Bills was being permitted and that privilege had not been specifically withdrawn under the new constitution. He therefore urged that the same leniency be extended by the President in future also.

The **PRESIDENT** replied that whenever members sought to go into the details of Bills, he had discouraged them from doing so. He would, however, personally like to show some latitude in this respect, but with due regard to the time at the disposal of the House.

Proceeding, **Mr. B. S. CHANDRA-SEKHARA RAO** brought to notice that the minimum age of members of an Association had been fixed at 18 years as against 15 years in the British Indian Act. He urged that it should be reduced to 15 years in Mysore also.

In clause 8, specifying the purposes for which alone the funds of an Association might be spent, he said that as in British India there should be provision for utilising the funds for purposes like election expenses. The Bill provided for two outsiders being admitted as honorary members with a view to their being appointed as officers of the Association; and in that connection, it might be necessary to incur some expenses out of the Association funds. But that could not be done as the clause stood at present. Provision for this

existed in the Bombay Act and he suggested the same being done here also.

Mr. A. V. RAMANATHAN pointed out that the Bill under discussion did not seek to follow the Bombay Act.

Mr. B. S. CHANDRASEKHARA RAO wanted that all the beneficent provisions of the Bombay Act also should be included in the Bill. In that Act, there was provision to include two independent people for purposes of negotiation and for a delegate elected by the labourers. Without such a provision, he feared that no conciliation could be effective.

The **PRESIDENT** pointed out that some amendments to this or other similar effect had been given notice of by certain members but had been disallowed because, they entered too much into the details of the Bill. And if the member wanted to raise the same points, it would not be possible to make much progress with the Bill at all.

Mr. B. S. CHANDRASEKHARA RAO said that his only object was to add to the usefulness of the Bill.

Going back to his original point relating to the advisability of providing for the election of a delegate to represent Labour for purposes of negotiation, he stated that the Bombay Act went further by providing for a delegate from each party, in cases where there were more than one party, of labourers concerned in any dispute. He urged that in the Bill before the House at least one delegate be provided for. Continuing, he also pointed out that there was no provision in it for making orders in particular emergencies.

Mr. A. V. RAMANATHAN explained that when once a permanent law was enacted, Government were not going to allow prolonged disputes. So there need be no fear that any particular emergency was not going to be adequately dealt with. As regards provision for dealing with future situations, he said that Government had no idea of omitting from the Mysore Act any of the useful provisions existing in other similar Acts.

Mr. B. S. CHANDRASEKHARA RAO next referred to the clause relating to punishments and pointed out that for

illegal strikes and lock-outs certain fines had been prescribed. But no right of appeal had been provided. He suggested that this legislation be made fuller in this respect, on the analogy of the Trade Union Act, or in the alternative, that the corresponding provisions in the Criminal Procedure Code be suitably amplified.

Mr. S. C. MALLIAH said that the measure was quite necessary in the interests of harmonious relations between labourers and proprietors of factories, and thanked the Government for undertaking it. But he objected to clause 7 (e) which provided for the admission of honorary members who might be outsiders unconnected with labour and having no interest in the particular industry concerned. He feared that the intervention of outsiders might lead to unnecessary complications and frustrate the very purpose of this laudable measure. Whatever the necessity or otherwise for outside guidance in the past, there was no need for it at present as any number of well-informed persons who could guide the labourers were available locally. With this reservation, he whole-heartedly supported the measure.

Mr. HENRY M. WHITE said that he was in favour of the measure and hoped that it would be passed into law. With regard to the suggestions made by a number of members so far, he thought that amendments could be made to it later as and when considered necessary.

Mr. A. N. RAMA RAO contended that there was much force in what Mr. Malliah had said. Besides, while clause 2 recognised the right of employees in an industrial undertaking to combine into an Association for the promotion of their common interests, clause 7 provided for outsiders being office-bearers of such association, and it therefore appeared to him that there was some inconsistency between the two clauses. If outsiders who were not themselves labourers and who knew neither the local conditions nor the circumstances under which a strike or a lock-out had happened, became office bearers, their action might not conduce

to a satisfactory settlement of the dispute at all.

He hoped that the amendment passed on the previous day in regard to the formation of a Federation of Unions would be incorporated by the Government.

He did not think it desirable to allow the meagre funds collected with great difficulty by poor labourers for promoting their common interests to be frittered away on extraneous items like election expenses. He therefore opposed the view of Mr. B. S. Chandrasekhara Rao that election expenses including probably the hiring out of loud speakers, motor vans, etc., should be included in the list of items on which the general funds of the association could be spent.

Mr. K. CHENGALARAYA REDDY interjected that at that rate the very election of labour representatives might be dispensed with.

Concluding, **Mr. A. N. RAMA RAO** said that he was not in favour of appeals being provided for, against the levy of fines of less than Rs. 50, as that would necessitate the amendment of several codes containing similar provisions. With these observations, he supported the measure.

Mr. Bhupalam R. CHANDRASEKHARAYYA was glad that the Government, who only two years ago had held the opinion that no labour unions were necessary in Mysore, now recognised the necessity for such unions, thanks to the changes brought about by the times and he offered his congratulations to the Government for having brought forward the labour legislation.

As he felt a doubt that the Bill applied to labourers in private and joint-stock industries only, he requested that it should be made clear that it would apply to labourers in Government concerns also.

With regard to the penalties provided for in the Bill, he was in a position to say definitely that labourers were entirely against fines being levied. They were too poor to pay. He therefore thought that it would be sufficient if only simple imprisonment was provided for.

He did not understand why members like Mr. S. C. Malliah and Mr. A. N. Rama Rao should fight shy of outsiders being permitted to become members of association. It should be open for anybody to help the labourers in forming and working associations. The Labour Commissioner himself had been empowered to do so in necessary cases. The speaker therefore supported the provision already made in this behalf.

Mr. N. RAMA RAO pointed out that the primary object of the bill was that if a dispute arose between an employer and his employees, a settlement by mutual consent between the parties should be rendered possible, in preference to other methods like outside interference or legal compulsion. That object was all right in itself, but there was a limit up to which parties could be depended upon to arrive at a mutual understanding. In case the public interest stood to suffer on account of prolonged disputes between them, it would be necessary for Government, on their own initiative, to refer the dispute to a Court of Arbitration. Government should therefore have all the power necessary to meet such contingencies.

He agreed with those who thought that outsiders should not be allowed to become office-bearers of associations of labourers. This measure was designed to bring about a harmonious relationship between employers and employees, and persons happening to belong to neither of the two categories should have no place or recognition as honorary members in the scheme. The term "employee" had been defined as any person employed to do any skilled or unskilled manual or clerical work. But it appeared to him that skilled labour, unskilled labour, clerical work and manual work could all be brought under one category, *viz.*, manual work. In other words, the definition seemed to permit of only one particular class of employees to become members of an association. It did not include, for instance, persons giving the industry the benefit of their intelligence only. If thus the benefit of the Bill was not going to be given even to the more intelligent men employed in an industry,

there would be no meaning in extending it to persons who had no manner of connection with the same industry. For the same reason, it would be advisable to delete the provision that as a special case two outsiders could be office-bearers.

He also suggested that appeals against declarations by the Registrar in the matter of strikes or lock-outs should be provided for. Otherwise, the order of the Registrar might be arbitrary and yet nobody could question it even if it should happen to be illegal. The Labour Commissioner might be vested with the power of hearing appeals in such cases. For this purpose, he wanted that the Court of Arbitration proposed in the measure must be not *ad hoc* but permanent, with full appellate powers vested in it.

Subject to these remarks, he wholeheartedly supported the measure.

Mr. K. CHENGALARAYA REDDY welcomed the measure on behalf of the Congress party. But he did not wish to be understood that thereby they were giving unreserved approval to the measure, because they had many suggestions to make in regard to the Bill. The Bill itself was long overdue. For various reasons it had not been brought in earlier. Thanks to the signs of the times, the necessity for labour legislation had been conceded at last. He was glad that, for the present, the two amendments proposed on the previous day had been agreed to by the House. He hoped that Government would embody them in the Bill before it was considered by the Legislative Council.

He did not agree that outsiders should not be allowed to hold offices in labour associations. On the other hand, he had several authorities to support the view that outside assistance was both necessary and desirable. The Royal Commission on Labour (the Whitley Commission) had specially emphasised this point and stated that:

"The endeavour to dictate to unions on the subject of the officers or leaders is equally short-sighted and unwise. We have referred to the great difficulties confronting the movement, which make the employment of a proportion of outsiders inevitable. In some cases victimisation, and more frequently the fear of it, gives an additional value to the outsider. The claim to be allowed to deal only with one's own men

is frequently little more than an endeavour to secure that the case of the men shall be presented by persons who are not likely to prove assertive. In every country much of the active work of trade unions, particularly in their relations with employers, is carried on by persons whose livelihood does not depend on the employers' will. . . . As we have already indicated, the objections to outsiders are steadily diminishing, and there is every hope that the unreasonable attitude adopted by a number of employers a few years ago will soon be unknown.

Employers seemed to fear that ex-employees and politicians, if allowed to interfere, would disturb the relations between them and their employees. But they would do well to remember that it would be much more dangerous to keep them out. The Whitley Commission themselves were of that opinion. They had stated as follows :—

"There is, however, still a disposition in some quarters to object to particular outsiders and especially ex-employees and politicians. The dismissed employee, whose energy is whetted more by a sense of his own grievances than by a desire for the welfare of others, can be a severe trial to the most sympathetic employer; and the desire to prevent him from securing a position of influence is natural and intelligible. But in actual experience the attempt to suppress such individuals by repressing their organisations or by insisting on their exclusion has seldom been successful; several such men have gained notably in strength as a result of the employers' antagonism."

As regards politicians in particular the Commission had observed :—

"The politician who hopes to divert a union to political ends can be equally trying, and it is frequently the case that his exclusion would be in the best interests of the men. But the employer, however pure his motives, is in a weak position when he attempts to protect his workmen by keeping their leader at arm's length. The leader who is not honestly working for the good of a union is not likely to have a long innings, unless he is assisted by persecution. The less healthy traits in a union are more likely to be eliminated by toleration than by repression."

This being so, it would be futile to argue that outsiders should not be allowed to become office-bearers in an association of labourers. The framers of the measure before the House must have been perfectly aware of this. Otherwise, they would not have provided that two of the office-bearers could be outsiders. But even as regards this limit, the speaker was of opinion that the Bill did not go far enough. Formerly, the British Indian Acts had provided that one-half the number of office-bearers could be outsiders. But the Whitley

Commission recommended that two-thirds the number of office-bearers should be representatives of the labourers and the rest outsiders. He thought that a similar provision should exist in the present Bill also.

Next, he contended that it would not be reasonable to prohibit office-bearers of one association from becoming members of any other association. If they were capable of working for more than one association, in the interests of the labourers, he did not see any reason why they should be prevented from doing so.

Again, he did not know why, in the matter of outsiders being office-bearers, the rules should seek to withdraw a privilege conferred by the Act itself. For instance, in associations of employees in Government industrial undertakings, it was stated that no outsiders could become members. He would only point out that a restriction like that would be opposed to the considered recommendation of the Whitley Commission.

He strongly urged that with a view to discouraging the formation of rival unions, in the interest of the employees, there should be only one association of the labourers of all industrial undertakings of a given kind.

With regard to the powers of the Labour Commissioner, the speaker objected to that officer being empowered to attend meetings of associations of employees only and not also meetings of employers' associations.

Mr. A. V. RAMANATHAN pointed out that the employers had no associations of their own, the bulk of the undertakings being owned by single proprietors. So the question of the Labour Commissioner having to attend meetings of employers' associations did not arise.

Mr. K. CHENGALARAYA REDDY did not like that the Labour Commissioner should attend any meetings of employees. There might be several matters of a confidential nature which the labourers might be discussing and it would be extremely unfair to them that the Labour Commissioner should force himself on them.

He next pointed out that while in the Bombay Act the Commissioner of Labour

was empowered only to assist the office-bearers of an association, in the measure under discussion, he was authorised to guide them also. The speaker did not know the purpose behind this addition.

Mr. A. V. RAMANATHAN replied that there was no ulterior motive behind it. If it was found unnecessary, it could as well be deleted by the Legislative Council. The main object was that the associations should be enabled to work satisfactorily.

Mr. K. CHENGALARAYA REDDY pointed out that it would be better if the provision with regard to guiding the associations was deleted. Otherwise, it would amount to giving the Labour Commissioner dictatorial powers which might be made use of in a manner detrimental to the associations themselves.

The speaker could not agree to the provision that the Registrar himself should be the Chief Conciliator. The person in daily touch with the labourers would be the Labour Commissioner and it was but right that he should be made the Chief Conciliator, as in the Bombay Act.

Mr. A. V. RAMANATHAN explained that the Registrar under the Mysore Act would correspond to the Chief Conciliator under the Bombay Act.

As regards conciliation proceedings, **Mr. K. CHENGALARAYA REDDY** suggested that some time-limit be fixed within which the Commissioner should commence his enquiry and also a time-limit within which he should give an award.

Clause 24 should have provided for sympathetic and joint strikes on the part of employees having common objects. The member requested that the clause be suitably amended.

Even as regards the rules, he had several points to urge, such as that the age-limit for membership of an association should be reduced from 18 to 15, but he was aware that all such details could not be gone into at that stage.

In conclusion, the member said that the measure was a welcome one and deserved full support from every member of the House. He requested that the amendments already passed by the

House be accepted by the Government and embodied in the Bill and that the other suggestions made by various members should also be considered and given effect to as far as possible.

Mr. FRANCIS EMILE STUDER requested that the law under discussion should not be applied to agricultural labour. He referred in particular to seasonal crops like areca-nut and oranges, in respect of which the important season did not last longer than a few months. If at such critical periods a dispute arose and all the formalities prescribed both in the Bill and in the amendments, which were likely to be embodied, should be gone through, the harvesting or collection season would have been over and the interests of garden owners adversely affected. The idea underlying the Bill was no doubt good, but it would be impracticable and inadvisable to enforce its provisions in cases of the kind mentioned. He therefore hoped that Government would see to it that the Bill was applied only to pure industrial undertakings like factories.

Rao Bahadur M. RAMASWAMY was glad that Government had introduced a Bill calculated to safeguard the interests of labourers. **Mr. K. Chengalaraya Reddy** had pleaded the previous day that a Federation of Associations should be provided for, that sympathetic strikes should be allowed, and that outsiders should be permitted to become members of labour associations. All that, he had no doubt, would strengthen the cause of labourers. But side by side with the interests of labourers, the interests of capitalists, who might have sunk lakhs of rupees on their industrial undertakings, should also not be lost sight of. With regard to the last of the suggestions of **Mr. K. Chengalaraya Reddy** referred to above, the speaker observed that conditions in one particular kind of factory might not be similar to those in factories of other kinds. For that reason, employees of a Match Factory, for example, should not be allowed to participate in an association of employees of a cotton factory, or a paper factory, because the conditions would necessarily vary from one factory to

another. A certain amount of personal knowledge of the conditions pertaining to each factory was absolutely necessary on the part of those guiding the destinies and activities of an association of employees of that factory. He was therefore opposed to outsiders being permitted to become members of any association of labourers.

He then stated that sympathetic strikes should not be permitted as they would mean unemployment and starvation not only to the strikers themselves, but to thousands of women and children belonging to their families. There was a rule that a member of a particular co-operative society should not become a member of any other similar society. On the same analogy, no employee of a mill or factory should be permitted to become a member of more than one association of labourers. Besides, without having first-hand knowledge of the conditions in a particular branch of business, no labourer could be of any use or benefit to an association of employees of such business.

With regard to the question of Federation of Associations, he thought that it would be unnecessary to have such an organisation for reasons already urged. If at all, any questions common to more than one kind of industrial undertaking came up, it was always open to the labourers to seek redress of their grievances through the members of the Representative Assembly or the Legislative Council. He therefore opposed all the three suggestions made by Mr. K. Chengalaraya Reddy.

Mr. S. N. M. RAZVI, speaking next, said that the Bill was the first of its kind to be placed before the House. It sought to secure the best interests of the labouring classes and was therefore welcome to one and all. It had been drafted with all the sympathy and care that were needed. It was more thorough than similar legislation in other States and British Indian Provinces. And yet it was natural for the concerned people to urge that all that was provided under the enactment in force in other countries should be provided for in this Bill also but it was the Government that knew what was best for them, taking their

present conditions and requirements into consideration. After giving due consideration to all aspects of the matter, Government had brought in the bill to provide for the solution of such difficulties as really stood in the way of labourers. Any further advance should necessarily be gradual. Too quick a pace would only lead to a fall.

He could not agree with the suggestion of Mr. N. Rama Rao that a permanent Court of Conciliation was preferable to an *Ad Hoc* Court. Personally, the speaker was of the opinion that a court might be constituted whenever trouble arose anywhere. Otherwise, it might be difficult for the Government to find continuous work for the permanent court.

Mr. N. RAMA RAO observed that his suggestion had not been correctly understood by the member.

Mr. S. N. M. RAZVI, proceeding, stated that the anxiety of all well-meaning persons should be not to encourage strikes but to terminate them speedily if and when they occurred. In industrially advanced countries, if there was a strike, there were special organisations which could feed both the strikers and their families. But there was no such organisation in Mysore. Nor were sufficient funds likely to become available for the labourers to draw upon in emergencies. So it was desirable that the poor labourers were not encouraged to strike work. For all these reasons, he was in favour of the Bill being adopted as proposed by the Government.

Mr. A. V. RAMANATHAN replying on behalf of Government, stated that one important point to be borne in mind was that the Bill before the House was not meant to be a Trade Union Act. Its main purpose was to create facilities for effecting conciliation in cases where disputes arose between the employers and the employed. The idea of a Trade Union was not to be found either in the definitions or anywhere else in the Bill. No useful purpose was therefore going to be served by a comparison of the Bill before the House with the provisions of the Trade Union Acts of British Indian Provinces in respect of particular matters.

Mr. Francis Emile Studer had suggested that this Bill should not be made applicable to the agricultural industry. Neither the committee which had considered this Bill nor the Government had intended that the Bill should apply to the agricultural industry. If however there was room for doubt on this point, it would be made clear when the matter came up before the Legislative Council.

With regard to the suggestion about the age-limit for membership, he stated that according to the Trade Union Act, no doubt, the limit was 15 years, but that when the point was discussed by the committee it was agreed that the limit should be fixed at 18 years, because that was the limit recognised for civil rights. The interests of minors might be involved in cases falling under the law under discussion, but such interests, it was felt, could be represented by the guardians of the minors concerned. However this was a point which could be gone into by the Legislative Council.

As regards the question whether outsiders should or should not be allowed to become members of labour associations, the original object was that only labourers must be members. The speaker had already stated, in another connection, that employers, like labourers, had yielded on certain points, and this was one instance of that kind. This was how the suggestion in favour of outsiders being permitted to be members of labour associations had come to be agreed to by the committee.

With regard to the suggestion that labourers in Government concerns should be given the benefit of this measure and not treated as Government servants, he stated that the suggestion had already been anticipated as such labourers could become members of the concerned labour association subject to certain conditions.

The other details such as whether the Court of Arbitration should be permanent or *ad hoc*, could easily be discussed at the select committee stage of the Legislative Council, and need not be gone into at the present stage. He hoped that the House would be satisfied with this explanation and support the Bill.

The principles of the Bill were thereupon passed unanimously.

At this stage (3 p.m.), the House rose for lunch and reassembled at 3-30 p.m.

Quality of Lunch supplied to Members.

Before business was resumed, Mr. U. L. RAMACHANDRA RAO brought to notice that the quality of lunch supplied to members was not satisfactory and urged that the preparations be got examined by the Health Officer. Secondly, he had heard that it was usual to call for tenders for supply of lunch in connection with each session, but it was curious that every time the same supplier happened to secure the order. Whatever the procedure relating to the selection of contractors, he thought that it was always desirable to change hands from time to time.

The MINISTER for REVENUE and FINANCE (Rajamantrapravina K. V. Anantaraman) replied that the complaints would be looked into.

Bill to amend the Code of Civil Procedure (Amendment) Act, 1938 (XIII of 1938).

The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. H. V. Narayana Rao) explained the principles of the Bill as follows:—

In 1938, section 60 of the Code of Civil Procedure, 1911, was amended by Act XIII of 1938. Under the amendment, salary up to and inclusive of Rs. 50 and one half of the remainder of salary has been declared to be exempt from attachment and sale in the execution of decrees. By section 3 of the amending Act, it was provided that the amendments made by the Act should have effect only in respect of proceedings arising out of suits instituted after 1st July 1938.

In the actual working of section 60 as amended, certain difficulties in the interpretation and working of it came to light. The expression "labourer" was not clear and doubts arose whether it included skilled workmen also. The word "salary" was not free from doubt and the question arose whether it

included remuneration fixed on other than a monthly basis. With a view to a clear elucidation of the points mentioned above, another Bill was brought forward in 1939. Clause 3 of this Bill as first introduced, provided that the amendments sought to be made should not have effect in respect of proceedings arising out of any suit instituted before 1st July 1939. This clause was omitted on the recommendation of the Select Committee appointed by the Legislative Council to consider that Bill. That Bill became law in 1940 as Act IV of 1940.

It was expected that the amendments to the Code of Civil Procedure would apply irrespective of the date of the filing of the suit from which the proceedings arose.

Representations have been made by the Kolar Gold Field Mining Board as well as by the labourers in that area that the spirit of the amendments and the undoubted intentions of the Government have not been effectively secured. It has been held that the alterations made by the Act of 1940 are in respect of the provisions of section 60 which had already been amended by the Act of 1938, and that section 3 of the latter Act precludes relief from being given in respect of proceedings arising out of suits instituted prior to 1st July 1938.

The High Court has observed on a revision petition that, "until the restriction imposed in 1938 by Act XIII is removed by legislation, Courts will have to permit attachment of salaries even when they do not exceed Rs. 50 so long as it (the suit) is prior to July 1938."

The omission of section 3 of Act XIII of 1938 has therefore become necessary if relief is to be given according to the undoubted and expressed intentions of the Government and of the Legislature.

As the matter was urgent, an Emergency Act was passed in August this year. The present Bill is intended to make this amendment permanent.

Mr. T. S. RAJAGOPALA IYENGAR feared that a technical difficulty might arise in connection with this Bill. It had been decided originally that the amendments made by the Act of 1938 should take effect in respect of suits filed subse-

quent to 1st July of that year. Later on the High Court had observed that that limitation must be removed if the relief which was intended should really become available to the persons in view. In the first place, there was no necessity at all to have provided that the amendments would apply to cases subsequent to 1st July 1938, because unless anything to the contrary was stated, every Act would take effect only from the date on which it became law.

Mr. H. V. NARAYANA RAO stated that it was so in the case of substantive laws. But where it was only a law of procedure that was concerned, it was always necessary to prescribe the date of effect. The amending Act of 1938 was one such, with reference in particular to section 60 of the Civil Procedure Code.

Mr. T. S. RAJAGOPALA IYENGAR was of opinion that even a procedural law could not take retrospective effect in the normal course. The point was open to doubt for long, but the Madras High Court had given decisions that retrospective effect could not be given in cases of this sort.

Mr. Bikkali SITHARAMIAH thought that in the case of both limited and unlimited societies, retrospective effect would cause very great hardship on them.

The MINISTER for LAW (Rajaseva-prasakta A. V. Ramanathan) explained that retrospective effect applied only to attachment of wages.

Mr. Bikkali SITHARAMIAH urged that it should apply even to execution proceedings pending at present in respect of loans issued by co-operative societies, because attachment of wages naturally included attachment of salaries also. Otherwise, the concerned Directors of the societies might be surcharged and many innocent families ruined thereby.

Mr. A. V. RAMANATHAN observed that the question of Directors' responsibility did not rise in this connection.

The PRESIDENT said that so far as that question was concerned, no differentiation could be made as between a co-operative society and a private money-lender. A real co-operative spirit

was necessary on the part of the borrowers also, so that in spite of the proposed amendment, payments could be voluntary.

Mr. S. N. M. RAZVI said that unsecured loans should have been refused to persons who had no personal property.

Mr. M. N. JOIS was of opinion that if the amendment was considered applicable to loans issued by co-operative societies, it should also apply to loans given on personal credit. But he very much doubted whether it applied to co-operative suits at all, even if they were pending suits.

Mr. A. V. RAMANATHAN stated that it would apply only to those who had the right of exemption from attachment. He explained that prospective effect had been given in certain cases by the amendment in question. But now it had to be withdrawn. It was not intended to give retrospective effect to the Bill. But for section 3 of the Act of 1938, freedom from attachment for the satisfaction of a decree should have taken effect from 1st July 1938 according to the amending Act of 1938. In order to avoid that, prospective effect was given by sub-section (3). But when the question came up before the select committee in 1940, when a similar provision was proposed to be put in, the select committee said that it was a mistake and suggested its omission. Then it was thought that by omitting that provision prospective effect would go. Later it was found that in spite of omitting clause 3 of the 1940 Bill, section 3 of the 1938 Act was a bar to general relief. So long as that was not taken away, prospective effect would remain. That was why the present amendment had become necessary.

Mr. T. S. RAJAGOPALA IYENGAR enquired whether attachment could be obtained in respect of salaries below Rs. 50 in execution of decrees obtained prior to 1938.

Mr. K. CHENGALARAYA REDDY thought that it could not be.

Mr. A. V. RAMANATHAN added that that was exactly the intention.

Mr. K. CHENGALARAYA REDDY said that his friends felt that this aspect required further examination, as

in the net result, the amendment would affect the interests of creditors including co-operative societies.

Mr. Shampur PAPANNA stated that even in 1938 when this question had come up for the first time, he had represented that retrospective effect should not be given as those who had advanced loans would be prejudiced.

Mr. K. MANJAPPA GOWDA enquired whether the rights of creditors who might have already obtained attachments would be affected by the amendment.

Mr. A. V. RAMANATHAN replied that the unrecovered part of the loan would go.

Mr. V. VENKATAPPA observed that in that case it would not be correct to say that retrospective effect would not be given to the amendment.

Mr. A. V. RAMANATHAN explained that the question of the retrospective effect would not arise at all. On the other hand, it was prospective effect that had been given, and that would go under the proposed amendment.

Mr. V. VENKATAPPA observed that viewed from one end, it would be prospective effect and viewed from another end it would be retrospective effect.

Mr. A. V. RAMANATHAN explained that, apart from such interpretations, the point to be borne in mind was that the main purpose of the amending Act could not be achieved. This had become clear after the judgment of the High Court, and therefore Government wanted to make their intentions clearer than before.

Mr. A. N. RAMA RAO said that, as the Law Minister had explained, even if salaries were to be attached in execution of decrees obtained before 1st July 1938, the debtor must be drawing more than Rs. 50. But prior to 1st July 1938, co-operative societies had already advanced loans in a very large number of cases, including Government servants, because under the law in force at that time, they could attach one half of the salary even if it was less than Rs. 50. Very enormous sums would be lost to those societies if that hope and basis were now taken away. He therefore

urged that in amending the Acts of 1938 and 1940 the Government must see that all loans granted by co-operative societies prior to 1st July 1938 were made recoverable in future also. Otherwise, the Bangalore City Co-operative Bank alone would have to lose as much as Rs. 50,000 and even smaller ones like the Sri Rama Saptaha Co-operative Society would have to lose Rs. 15,000 or more. He hoped that the Government who had always extended generous help and encouragement to the co-operative movement ever since its inception would not fail to help it in this vital respect.

Mr. K. CHENGALARAYA REDDY supported the Bill as it stood. No new principle was involved in the amendment now before the House. It only sought to clarify the intention of the Legislature in view of a certain judgment of the High Court. The question whether or not there should be attachment of salaries of Rs. 50 and less was not at all the point at issue. The questions for consideration were whether attachments in satisfaction of decrees obtained before July 1938 should be permitted or not and whether salary included wages also or not. The 1938 Act was passed with the definite idea that attachment should not apply to decrees taken before 1938. Both the Legislature and the Government wanted that it should apply to previous decrees. But the wording of the amendment did not make the intention quite clear, as pointed out by the High Court. The present amendment was meant to clear those doubts. As there was no new principle involved in it, the Congress party would not oppose the amendment.

Some members had expressed a misapprehension that this would put the creditors to much loss. There was no warrant for such a misapprehension, because after obtaining a decree even in future, attachment would be open and immovable property could be proceeded against. Imprisonment for non-payment of civil debts was also allowed. So, simply because attachment of salary was not permissible under certain conditions, it did not follow that all other kinds of remedies were going to be withdrawn.

Thirdly, it was suggested by some that co-operative societies should be exempted from the operation of the amendment. But no such exemption had been contemplated in the Acts of 1938 and 1940. A suggestion like that at this stage would not be in order.

Again, the co-operative movement was good in itself and members of the Congress party were quite in sympathy with it. Nobody would therefore like that co-operative societies should lose any part of their working capital. But, at the same time, it should be granted that a poor man depending for his maintenance only on his salary must have something left even after repaying his debts. From this point of view, the suggestion that even salaries below very small minimum should be attached, would indeed be inconsistent with true co-operative spirit. And giving relief to helpless men was a principle higher even than the principle of co-operation.

The PRESIDENT observed that co-operative institutions were likely, even then, to lose the amount if they advanced loans to recalcitrant persons drawing, for example, only Rs 20.

Mr. K. CHENGALARAYA REDDY fully agreed with that statement. That was why the argument in question did not appeal to him. After all, creditors and co-operative societies must remember that no Government servant or wage-earner could afford to part with all his earnings for adjustment of loans. The reason for the amendment before the House had been clearly explained in the statement of principles. In the Kolar Gold Fields, against many persons getting very small salaries, decrees had been obtained before July 1938 and applications for attachment had to be entertained as a matter of course. Consequently the labourers were put to considerable hardship and a big strike was likely to follow. It was to prevent that the emergency law had been enacted. It was from that point of view that the amendment must be viewed. No doubt some of the creditors might have been inconvenienced by the amendment, but as against it, it had been welcomed by the thousands of labourers in the Gold Fields as a great boon. He therefore supported the

amendment whole-heartedly and appealed other members also not to raise doubts to or difficulties as really no *a priori* fundamental principle of legislation was involved in it.

Mr. M. SUBBIAH stated that even when the original amendment was proposed, members of the Assembly had opposed it on the ground that it would lead to practical difficulties so far as money-lenders were concerned. The Government had assured the House that decree-holders could execute their decrees notwithstanding the amendment in respect of suits instituted prior to 1938. In view of that assurance, the amendment was passed. In accordance with the said assurance, money-lenders continued to lend money. In respect of undischarged loans they had obtained decrees in many cases and where possible, also attached the salaries of the debtors. A large number of attachment suits were even now pending and many were still being instituted. In future no doubt they would be careful not to lend moneys to smaller officials and wage-earners. But the Government should also help them to see that amounts already lent were not lost to them. Government were now saying that their intention was that the scope of the amendment was to extend the benefit to hard-hit people. If this intention had been made clear earlier, money-lenders would have been more careful. It was unfair on the part of the Government who had stated originally that the amendment would not apply to certain suits now to say that they would apply to them also. **Mr. Chengalaraya Reddy** no doubt had suggested that other remedies were still open to the creditors such as attachment of movables, imprisonment, etc., but in many cases, such remedies would mean no benefit to the creditors. If the debtor had no movables which could be attached, there would be no way open to the creditors to recover their moneys. The Government should have collected information as to the amount that might be lost to money-lenders as a result of this amendment. Without doing so, it was not proper that they suddenly sought to declare,

by means of the amendment under discussion, that it should apply to the kind of suits not contemplated in the original amendment. Government were expected to safe-guard the interests not only of debtors but also of creditors. By safeguarding the interests of only the one, they would be causing considerable hardship to the other. The present amendment would have the effect of causing loss to money-lenders to the extent of so much as Rs. 20 lakhs. The speaker therefore opposed the amendment with all the vehemence at his command.

Rao Bahadur M. RAMASWAMI was prepared to grant that the intention underlying the present amendment was generous, but in effect the amendment would adversely affect not only a large number of co-operative societies but most of the money-lenders. It would also lead to the withdrawal of credit facilities which were now open to a very large number of Government officials and wage-earners. He did not agree with **Mr. Chengalaraya Reddy** that even if the amendment was passed, remedies would still be open for recovering debts. If the legal remedy now open to creditors was denied, they could not hope to recover their dues by merely appealing to the honesty of the debtors. It should be remembered, after all, that ordinary mortals were not angels and it was not possible to recover loans by moral appeal. Some sort of fear was absolutely necessary to make debtors repay their loans. Unless the fear of punishment was provided, people would take every available opportunity of evading payment. Creditors also played an important part in the social life of the community and most of them had advanced loans in perfect good faith and with a view to helping those in need. It would be very wrong in principle now to disable them from recovering their just dues. It was not Rs. 20 lakhs that would be lost to money-lenders as a result of the proposed amendment, but perhaps about a crore of rupees. He was therefore definitely of opinion that all loans made prior to the date of the amendment should be exempted from its operation.

Mr. M. SITARAMA SASTRI observed that he had not expected so much discussion on this amendment. Those who talked tall on behalf of creditors were persons who did not know the difficulties of poor men. One member had argued that the amendment would cause hardship to a number of co-operative societies. The speaker would not regret if on this account the societies could no longer function. It was stated that the total loss to money-lenders that might be caused by this amendment might amount to something like Rs. 20 lakhs. That was an infinitesimal fraction of the total wealth of the country. Another member estimated the loss at a crore of rupees. Even that was not much. Even if the creditors agreed to forgo their dues, the debtors who were mostly poor and honest men, would do their best to repay their loans. Poor men were really more honest and grateful than the rich. He was aware that by speaking in that strain and supporting the amendment under discussion, he was liable to be misunderstood as being a debtor himself. He would assure the House that he owed nothing and was interested in speaking only the truth. That so many members should oppose a simple amendment like this would do no credit to the fair name of the State. He would therefore appeal to them to withdraw their objection and vote wholeheartedly in favour of the amendment.

Mr. Khaji SYED YUSUF SAHIB was also surprised that members known to be ardent co-operators were opposed to this amendment. Co-operators were expected to be friends of the poor and should therefore do all they could to help them. Unfortunately, however, they were becoming regular bankers. They would do well to sympathise with the poor and support the amendment. One member argued that no more credit would be available to smaller officials

if this amendment was passed. The speaker felt that such poor men would really be helped if all credit facilities were withdrawn. It was because of the credit facilities that they now were on the verge of ruination. But so far as creditors were concerned, even now they would continue to have certain means of recovering their dues. Generally speaking however, the spirit of the times required that they should not oppose amendments of this kind. **Mr. Chengalaraya Reddy** had made out a very good case for the amendment. The speaker therefore had pleasure in supporting it.

The PRESIDENT observed that the amendment had been discussed at sufficient length. There was no new principle involved in it. The principle underlying the amendment had already been accepted in 1938. Subsequently, certain defects had been noticed in the law and set right in 1940. The present amendment sought to remedy one more defect. There was no difference so far as this amendment was concerned between co-operative societies and private money-lenders. The object of the amendment had been in the mind of Government even when the amending Act of 1940 was passed. Unfortunately, however, the intention had not been made clear at that time. It was for the purpose of making the position clear that the present amendment had been proposed. There did not seem to be real necessity, as already stated by **Mr. Sitarama Sastri**, for any opposition to the amendment.

The principles of the Bill were thereupon put to vote and passed, only 7 members voting against.

At 4.25 p.m. the House adjourned to meet again at 2 p.m. the following day (on account of the University Convocation in the morning).